

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA

CRIMINAL NO. 16-20629

v.

HON. ROBERT H. CLELAND

D-1 CHARLES L. DODD JR.,

Defendant.

GOVERNMENT'S SENTENCING MEMORANDUM

The United States of America, by its undersigned attorneys, submits this memorandum concerning the sentencing of defendant Charles L. Dodd Jr., currently scheduled for September 11, 2018, at 2:30 p.m. As part of the plea agreement in this case, the United States and the defendant stipulated that the defendant's advisory sentencing guidelines range called for a term of imprisonment of 37 to 46 months. The Probation Office has concurred with the parties' guidelines calculation. (*See* PSR ¶ 56). Based on the factors enumerated in 18 U.S.C. § 3553(a), as well as the facts set forth in a sealed motion being filed concurrently by the United States, the government respectfully recommends that the Court impose a term of imprisonment of 22 months. The United States does not believe a fine is necessary in this case, given the defendant's tenuous financial situation.

I. Background

From 2007 to 2016, Dodd served as an employee and official of the City of Detroit. Dodd held a variety of positions of public trust during this time, including supervisory positions in which he exercised significant influence over the administration of multi-million-dollar contracts between the city and its information technology vendors. From approximately 2008 to 2012, Dodd served as Deputy Director of Detroit's Information Technology Services Department. From approximately 2012 to 2014, Dodd served as Director of Detroit's Information Technology Services Department. Finally, from approximately 2014 to 2016, Dodd served as Director of Departmental Technology Services for Detroit's Department of Innovation and Technology. (*See* Plea Agreement, R. Doc. 10, at 4-5).

On September 27, 2016, Dodd pleaded guilty before this Court to a one-count Information charging him with federal program bribery, in violation of 18 U.S.C. § 666(a)(1)(B). As part of his plea agreement, Dodd admitted that he accepted approximately \$29,500 in bribe payments from three individuals beginning in approximately 2009, and continuing through at least December 2015. During this period of time, Dodd admitted that he exercised discretionary supervisory authority over a staff of dozens of city employees and contractors. Dodd further admitted

that he exercised substantial influence over the administration of multi-million-dollar contracts between Detroit and private information technology vendors, the selection of vendors to enter into contracts with and perform work for Detroit, and the payment of city funds to vendors performing work for Detroit. (*See id.* at 5).

According to Dodd's admissions, from approximately 2009 to 2015, he solicited and accepted cash payments totaling more than \$15,000, a trip to North Carolina, and other things of value from Parimal D. "Perry" Mehta (identified as "PERSON A"), the president and chief executive officer of FutureNet, Inc. (identified as "COMPANY A"). Dodd admitted that he accepted these things of value from Mehta intending to be influenced and rewarded in connection with FutureNet's efforts to obtain business with Detroit, and that he used his official influence to provide preferential treatment to FutureNet in exchange for the cash payments and other things of value that he received from Mehta. (*See id.* at 5-6).¹

Dodd also admitted that he solicited and accepted cash payments and other things of value from two other individuals (identified as "PERSON B" and "PERSON C") who were affiliated with another Detroit-area information

¹ Mehta was indicted on related charges on January 30, 2018. *See* Indictment, R. Doc. 1, *United States v. Mehta*, No. 3:18-cr-20060 (E.D. Mich.). On May 30, 2018, Mehta pleaded guilty to one count of federal program bribery, in violation of 18 U.S.C. § 666(a)(2). *See* Plea Agreement, R. Doc. 14, *United States v. Mehta*, No. 3:18-cr-20060 (E.D. Mich.).

technology vendor (identified as “COMPANY B”). Specifically, Dodd admitted that in or around 2009, he accepted more than \$6,000 in cash payments from PERSON B, who was then an employee of COMPANY B, in exchange for exercising his official influence to provide preferential treatment to COMPANY B in its dealings with the city. Dodd also admitted that from approximately 2014 to 2016, he accepted cash payments of \$8,500 and other things of value from PERSON C, who was then the chief executive officer of COMPANY B. Dodd agreed that he accepted these things of value from PERSON C in exchange for exercising his official influence to provide preferential treatment to COMPANY B. (*See id.* at 6-7).

II. Legal Standard

The Supreme Court held in *United States v. Booker*, 543 U.S. 220 (2005), that although the sentencing guidelines are advisory in nature, courts “must consult these Guidelines and take them into account when sentencing.” *Id.* at 264. A district court must begin its sentencing proceedings by calculating the applicable guidelines sentencing range, which serves as “the starting point and the initial benchmark.” *Gall v. United States*, 552 U.S. 38, 49 (2007). The court should then consider all of the sentencing factors set forth in 18 U.S.C. § 3553(a), including the nature and circumstances of the offense and the history and characteristics of the defendant.

Id. at 49-50. Under § 3553(a), the guidelines “serve as one factor among several courts must consider.” *Kimbrough v. United States*, 552 U.S. 85, 90 (2007). “A properly calculated advisory guidelines range represents the starting point for substantive-reasonableness review because it is one of the § 3553(a) factors and because the guidelines purport to take into consideration most, if not all, of the other § 3553(a) factors.” *United States v. Conatser*, 514 F.3d 508, 520 (6th Cir. 2008).

In addition to the nature and circumstances of the offense and the history and characteristics of the defendant, § 3553(a) requires that a sentencing court consider “the need for the sentence imposed . . . to reflect the seriousness of the offense, to promote respect for the law, and to provide just punishment for the offense.” 18 U.S.C. § 3553(a)(2)(A). That provision also states that a sentencing court should consider the need for the sentence imposed “to afford adequate deterrence to criminal conduct,” “to protect the public from further crimes of the defendant,” and “to provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner.” *Id.* § 3553(a)(2)(B)-(D). In the end, the sentencing court “‘must make an individualized assessment based on the facts presented’ and upon a thorough consideration of all of the § 3553(a) factors.” *United States v. Bolds*, 511 F.3d 568, 580 (6th Cir. 2007) (quoting *Gall*, 552 U.S. at 50).

III. Argument

For nearly a decade, Dodd occupied positions of profound public trust. As a senior official overseeing the City of Detroit's interactions with information technology vendors, Dodd was responsible for administering contracts worth millions of dollars in taxpayer funds. Dodd was also responsible for advising other city officials concerning information technology matters, including which vendors to hire for particular projects and which personnel to select for particular positions in the city's information technology infrastructure. For years, the city officials with whom he worked trusted Dodd to do his duties honestly and fairly, gave him significant leeway to oversee city contracts, and relied on his recommendations and advice in making their own decisions concerning the disposition of city funds. Even more significantly, Dodd also held the trust of the citizens of Detroit to do his duties honestly and without proper influence. In his oath of office, signed in May 2009, Dodd swore that he would "faithfully discharge the duties" of his office to the best of his ability. (*See* Exhibit 1, Oath of Office).

Dodd betrayed this important trust, not just once or twice, but on numerous occasions over a period spanning approximately six years. Unbeknownst to the city and its citizens, he accepted tens of thousands of dollars in bribes from the officers and employees of two major technology vendors in exchange for putting a thumb on

the scales in their favor. In order to account for the seriousness and longevity of Dodd's offenses, a term of incarceration is required.

As an initial matter, the United States has stipulated to the following guidelines calculations, with which the Probation Office has also concurred:

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|--------------------------------------|--------------|--------------------|
| Base Offense Level: | 14 | USSG § 2C1.1(a)(1) |
| More than one bribe: | +2 | USSG § 2C1.1(b)(1) |
| Value of bribes > \$15,000 | +4 | USSG § 2C1.1(b)(2) |
| High-level decision-making position: | +4 | USSG § 2C1.1(b)(3) |
| Adjusted offense level: | 24 | |
| Criminal History Category: | I | |
| Guidelines range: | 37-46 months | |

(*See* Plea Agreement, R. Doc. 10, at 9-10). As noted above, this calculation is a starting point for the Court's analysis, which must also take into account the factors set forth in § 3553(a), including "the nature and circumstances of the offense" and the "need for the sentence imposed . . . to reflect the seriousness of the offense, to promote respect for the law, and to provide just punishment for the offense." 18 U.S.C. § 3553(a)(1), (a)(2)(A).

Here, Dodd's conduct constituted a significant and longstanding violation of his public duty, and his sentence should account for the severity of his conduct.

This is particularly true given that Dodd obtained a significant monetary benefit from his illegal conduct, concealed his crimes from the city and the public, and held a high-ranking position within the city government. As a senior supervisory official, Dodd was capable of inflicting far more damage to the proper functioning of city government than a lower-level city employee. By trading official influence for cash and other things of value over the course of several years, Dodd broke an important trust, and the Court's sentence should adequately punish this prolonged criminal activity.

In addition, the Court's sentence should make clear to the public and to others who might engage in such activity that these egregious acts of public corruption merit serious punishment. *See* 18 U.S.C. § 3553(a)(2) (noting the need for the sentence imposed "to promote respect for the law" and "to afford adequate deterrence to criminal conduct"). Public corruption schemes are notoriously difficult to detect, particularly when they involve sophisticated individuals such as the defendant here, and it is therefore critical that such offenses result in a punishment sufficient to deter other potential violators. Similarly, it is particularly important in public corruption cases such as this one that the sentence demonstrates that such activity will not be tolerated, since the corruption of high-level officials has a great potential to undermine the faith of the people in the fairness and integrity

of their public servants.

Dodd used his official influence to steer city business to the highest bidder. The contracts that Dodd oversaw with FutureNet and COMPANY B were worth millions of dollars in taxpayer funds, and Dodd often administered these contracts to serve his own interests, not the public's. In exchange for cash payments, Dodd advised other city officials to select particular personnel from FutureNet and COMPANY B to fill open positions, and recommended that city departments select FutureNet and COMPANY B to implement lucrative technological projects. Dodd also shared confidential information, such as information concerning the city's internal budgets and internal discussions concerning particular contracts, in exchange for payment. This is quintessential public corruption.

Finally, the Court should take into account that Dodd is an intelligent, educated, and capable individual. He was not a victim of circumstances; on the contrary, he made a voluntary and intelligent decision to engage in conduct that he knew was wrongful in exchange for money. His sentence should reflect this.

The United States recognizes that Dodd is unlikely to reoffend, given that he has resigned from his position at the City of Detroit and it is doubtful that he will ever again occupy a position of public trust. In addition, Dodd appears to be genuinely remorseful for his conduct, and he has fully accepted responsibility for his

crimes.

In light of all these factors, as well as the facts discussed in a sealed motion being filed concurrently with this memorandum, the United States believes that a sentence of 22 months' imprisonment would be sufficient, but not greater than necessary, to account for the severity of the defendant's conduct and the consequences of his long period of criminal activity. The United States does not believe a fine is appropriate in this case, however, given the tenuousness of the defendant's present financial situation. (*See* PSR ¶ 54).

The United States therefore respectfully requests that the Court impose a sentence of 22 months' imprisonment, to be followed by a period of supervised release, along with a \$100 special assessment as required by law.

Respectfully submitted,

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Date: August 28, 2018

CERTIFICATE OF SERVICE

I hereby certify that on August 28, 2018, I electronically filed the foregoing paper with the Clerk of the Court using the ECF system which will send notification of such filing to the following:

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